

December 29, 1939

The Honorable Norman Armour

Mr. Harry C. Hawkins

H.. Hello Norman

A.. How are you?

H.. Not very well. How are you?

A.. We are hard at it here. We got the note over to the Foreign Minister last night. I will read you the telegram we are sending you this morning:

"The contents of the Department's telegram no. 286 of December 26, 8 p.m., and 287 of December 27, 5 p.m., was embodied in a ^{formal} note which I handed to Cantillo yesterday afternoon. The decision was taken to explain in detail obvious potential benefits to Argentina of the proposed trade agreement and the further concessions. The Foreign Minister was not encouraging, saying that unless the proposed ^a ~~Customs~~ quota ~~was removed~~, he did not see how the basis for a trade agreement could be found. He called in Toriani who asked how the Argentine Government could possibly defend such an agreement before the Argentine Congress since in his opinion the concessions offered were insufficient, mainly because of quota limitations, to produce ^{enough} exchange ~~enough~~ to warrant their acceptance of our general provisions.

"Later I saw the Foreign Minister again after he had talked to the President, and he informed me that the President did not see enough in our offers to justify an agreement [did not REPEAT NOT see enough in our offers to justify an agreement]. However, I do not feel that this statement or the others could be considered as final since the Interministerial Committee was still studying our new proposals at the time the Foreign Minister talked with the President.

"Press

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Telephone conversation between Mr. Norman Armour and Mr. Hawkins - 1939
(dictation transcript)

"Press articles here indicate that Argentine officials have given out the impression that the difficulties are the proposed customs quotas and the requirements with respect to exchange."

That is the end of the telegram.

H.. When is there anything further coming from them, do you know?

A.. That is just what--we are expecting something. Ravndal saw Bonfante last night at about 8 o'clock and the Inter-ministerial Committee had our proposals and intended ^{if} necessary to work on them all night. We assume ^{on their} ~~one of the~~ ^{repl. to our last proposal,} ~~press articles~~ ^{that their reply to our} ~~last proposal would~~ ^{it will} probably be forthcoming within the next two or three days. They realize the element of time involved and I imagine that they will try to get whatever reply they have back to us as soon as possible--today or tomorrow, I don't know. I should think tomorrow rather than today. But I have no idea.
The press here reports a ^{further} conference ~~will be~~ at the White House

H.. There have not been any visits over there, there have been telephone conversations.

A.. The press here has a Washington telegram stating that the President hopes that an agreement will still be signed, but a less optimistic note from the State Department and revealed a good deal of detail with regard to linseed. It refers ^{to the quota}.

H.. I don't know where they got it.

A.. It referred to the quota, although the figures are not exact, also the differential in event of our production being low. They are of course making the most of quotas as restrictions rather than giving ^{the} benefits of reductions.

They

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(Verbatim transcript)

They are stressing the fact in the press of ~~the~~ quotas *as a*
connotation of definite limitations. What the purpose is I don't
know, but they have come out very fully in the press as *in though*
preparing the way in the case of eventual failure and
putting the blame on us, in other words, of establishing
their position.

H.. Have you got any basis for forming an opinion of the mini-
mum it would take at this point for an improvement

A.. that is whether you want my personal opinion as to
whether I can form a basis as to is the minimum necessary
secure
to ~~form~~ an agreement. Well, the removal of the quota on
linseed I think would really ^{give} it to us. Increased quotas
on linseed to 15 million might help. The removal of both
the quotas on linseed and canned beef would undoubtedly
do it. I don't know whether that helps ..

H.. Yes

A.. But the increase in the quota on linseed to 15 million would
undoubtedly help, whether based on the quota element

H. What about the meat?

A.. They say that the proposals that we offer do not permit
enough expansion in their exports to warrant their
acceptance of our general provisions. They would have
to have what they feel represents possibilities for a
large increase in their exports to the United States and
they do not feel that the concessions offer those possi-
bilities important figures of real and substantial
increase and they do not think these offer them. I
argued the best I could. We went into the matter with
them on all these points. I pointed out for example
linseed 12 million bushels that 20 million bu.
that the 8 over the 12 would give them an advantage of
bout about 40 cents instead of the present 45. But

none

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Telephone conversation between Mr. Norman Armour and Mr. Shanks - 1939
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none of these arguments, at least from what I could tell, seemed to convince them. They would come back to tell us the possibility of ~~xx~~ a quota giving them a sufficient increase to would only give them a possible increase of ten thousand tons over their peak year and they did not think that was a sufficient increase.

H.. You don't think that item is the key to this?

A.. No. I think it is important in a way, but I think the linseed is the thing. You see they have made so much in the press about the quotas--they are trying to burn their bridges behind them. But if the quota on linseed could be removed, that I really think could lead to an agreement. If it were increased, it might help--to try to minimize the reduction in duty is not so important as the ~~duty~~ quota.

H.. Any hope of

A.. I happen to know that no one is listening. You can speak quite frankly, no one is listening. Do you think there is any hope from your end?

H.. I have no basis for thinking there is any. I have no basis for thinking we can give anything more, however, we can always make the attempt if there is anything we can do within reason.

A. of a message from our President, President Roosevelt, Almost . . . would give me here and give all of us an ~~as I see it, in other words, I could~~ opportunity to ~~explain the~~ speak opportunity to explain the situation, as I see it. In other words, I could speak I could take it over to him / . . or if the President wishes to send a telegram direct to us. . . .

H.. Well, we have given some thought ~~to~~ that. Here's my own reaction to it. It is not so much the technicalities as a step forward in the direction of inter-American relations. evidence of strengthening relations. We had

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(Verbatim transcript)

talked of that some here. My own reaction on it was this-- I rather had some hesitancy on putting our argument on what you might call a favor or an appeal basis rather than the basis of benefits offered.

Ar. I, of course, admit it is problematical. Would the President want to call in Espil and perhaps personally talk very frankly to Espil?

H.. I talked to Espil yesterday, and he, himself, raised this point that you have just raised, of some direct communication between the two Presidents, either directly or between the two Ambassadors. His opinion is this--He said that he thought it would not set very well. He thought it would rather antagonize all the people below down there making them feel we are trying to go over their heads without keeping to the main issues.

A.. Yes, that is, of course, the danger. Even yesterday when I tried to put it on the basis of improvement of relations, the moral effect, and so-on. That is all very well . . . You can't justify an agreement on that basis, but I can quite see that angle--it would be a risk. Of course, something like this, Harry, if you could possibly prove that . . . in some way and couple that . . . [with a new offer]

H.. Yes, that would be different.

A.. through Espil not so much on the sentimental basis as on the [President's mentioning] here I have myself gone the limit with the situation as it is at home. It is a very dangerous situation and I hope your President really understands the difficulties of the situation, but I have really gone the limit . . . an appeal on the strength of going the limit. We hope that your President understood this and . . . If it came from Espil it would not seem quite so much like a negotiator's position.

H.. Yes

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(with transcription)

A.. Espil could tell him about the earnest way in which the President is putting up [his offer]... how much is in that do you think? And that would also give us an opportunity to go back to the President with something further on this. But the President would be the ~~final~~ one to communicate the final decision to Espil.

H.. Now the next. I think that might have some possibilities if we can get some improvement. Your next step seems to be this. You can hardly make a dent here until we have the definite final position of the Argentines which I take it we won't have until some time today or tomorrow until the Interministerial Committee reports.

A.. I think you will get it today but we might get it tomorrow.

H.. We are badly handicapped in moving until we have that
We can start work on it but
definite confirmation of their position ~~but~~ we can't
have any decision on any improvement until we get that.

A.. They are of the very definite impression here based on the position of the Foreign Office that the negotiations have broken down. From an article based on ^{on talks with} officials of the Foreign Office, they are of the belief that the discussions have definitely ^{broken} down and that they have broken on the points of canned beef and linseed.

H.. That first item is the one I was wondering about. Would improvement there have any ~~change~~ of doing the trick?

A.. What trick?

H.. Taking the quota off.

A.. I tell you, Harry; it might of course, but frankly they have gone so far on record publicly on linseed, they have made so public their position, again and again given out that they must have the removal of the quota on linseed . . . aside from whatever may be . . . economic restrictions on that. I admit that I think the removal of the 1 percent quota on beef would help help and it would of

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course have the further effect of removing what may still be the possible danger of that other matter we were mentioning - the original offer. They haven't raised that point at all here yet, and I hope we are out of the woods on that, but of course the 1 percent quota there. But linseed is undoubtedly the real danger - and the quota rather than the duty reductions.

H.. Yes, I understand that.

A.. I would say the removal of the quota. I think the quota on linseed.... removal of the quota on linseed can get the agreement. (2) Increase the quota to 15 million bushels would help, but I am not prepared to say we can get it. (3) Removal of the 1 percent quota on canned beef would help considerably; these are in that order. Bill is right here. Bill Fowler, do you think the removal of the quota on canned beef is enough?

That is really the whole argument;
Fowler: /They are counting on linseed in the agreement.

H.. That gives me something to work on.

Fowler: Canned beef is a political argument here, but economically does not amount to much.

H.. That gives me something to work on. I will take it up again and see if there is anything that can be done to save this thing.

A.. Well, I do hope there is, because I know how much It is a terrible thought. Harry, in that connection I still in the event we didn't get this worked out, would you boys be considering what to do if they come out with their point of view

H In their point of view

A. Would you be prepared to put over a possible statement which would defend our position?

H.. It seems to me the desirable thing if it could be managed
would

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Telephone Conversation between Mr. Norman Lamont and Mr. Hastings - 1939
(Verbatim transcript)

would be to try to formulate some kind of a joint statement to cover the necessities of both sides.

A.. Try to formulate a joint statement?

H. Yes, to cover the necessities of both sides ^{that would} ~~and it's~~ smooth it over a good bit. We might try a draft on it.

A. But to go back, I don't want to mention that. Everyone is working like hell and is very nervous and I just mentioned it as army tactics. To go back again, the President's sending a message would help tremendously.

H.. We will certainly consider that.

A.. You tell him for me that his personal popularity is so great that it would have a tremendous effect. . . .

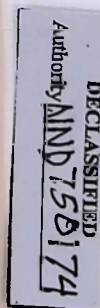
I can see his point there. But if it were based on improvements between between two countries rather than on sentiment or more general ground and the President could be the one to make that known to Espil and also say that this is final and he has gone the limit. He might be able to put it across.

H.. But going back to what we would do in event of failure; one thing we would be justified in ~~saying~~ asking that they not reveal or discuss the exact terms of any offers. That seems to me to be entirely ^a proper request, ~~since~~ since all negotiations are supposed to be confidential between two governments. In any case it would be pretty embarrassing up here. Do you think you can hold them down on that?

A.. I will do my best. I think as a matter of fact from their end they couldn't reveal anything . . . by showing how far we had gone, but I see your difficulties and

H.. Yes, the effect here would be just as bad as though we had made the concessions.

A.. I concede that. On the other hand, there is a very moral and hardworking business community down here, and if anything should



Telephone Conversation between Mr. Norman Simpson and Mr. Stanton - 1939
(Verbatim transcript)

should happen, it would be terribly hard on them . . .
Let me know confidentially. . . . However, I will bear
this in mind.

H.. It isn't necessary to mention this, but the thing
isn't dead yet, we will see what we can do.

A.. I still feel that with this possibility in that discussion
maybe it will go

H.. I think that is very important . . .

A.. We will get anything up to you as soon as we get it.

HAPPY NEW YEAR!

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Telephone Conversation between Mr. Norman Lamour and Mr. Skutumpah - 1939
(dictation transcript)

Telephone conversation between Mr. Norman Armour and Mr. Hawkins - 1939
(dictation transcript)

Hawkins: I ~~may~~ have some information for you.

Armour: I hope.

Hawkins: Secretary Hull and Secretary Wallace and Mr. Grady discussed the situation with the President this morning. The President authorized two improvements-- those two are these: that you can offer 35 instead of 40 on the flaxseed.

Armour: Offer?

Hawkins: 35 instead of 40 on flaxseed, but the quota has to stay at 12 million plus the deficiency, of course.

Armour: Quota, 12 million?

Hawkins: Did you get that? The President wants you to point out . . . the quota stays at 12 million, of course, with that deficiency provision that there will be a supplementary quota when the production is below 15.

-BREAK-Did you get what I said? Offer 35 instead of 40 on flaxseed, but the quota to stay at 12 million bushels. The President wants you to point out that this represents a revenue loss of 3-1/2 to 6 million dollars a year. It will range from 3 and one half to 6 million dollars a year. This is taking into account the supplementary quotas on the basis of domestic deficiency--3-1/2 to 6 million dollars a year. Hides--5%.

Armour: 5 Percent?

Hawkins: That's right. On the canned beef, he wants the rate to be 3 cents and 20 percent with the . . .

telegram

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but not less than 20 percent, but with the one percent customs quota. This is all that is authorized on the schedule. On the general provisions--I will send you a cable on this tonight, but I can give you the essence of what it is. We are trying to work out a way of meeting the point on the delay. In other words applying the most-favored-nation idea on delays rather than the . . . The obligation to provide exchange will stand. In other words, what we are trying to do is to meet one point now that instead of having the obligation to provide exchange for all permitted imports promptly, it would merely provide that exchange should be provided and that as regards any delay that might be necessary, it would be on the basis of not any greater delay on imports from us than from a third country. We will spell that out in a telegram tonight. We have to do a little more work on it.

Armour: Alright.

Hawkins: Now on the quotas, it seems to us that what we must do is stand on our provision for no special cases, but to ask the Argentines to rely on the escape clause in Article XII on the advance notice, that is Article XI. I think we can take the Argentine proposal which is the provision in the Swiss agreement and with an understanding on the side that in practice there will be prior notice. That is all I have and we will cable that tonight.

Armour: I am afraid that that flaxseed change will not bring them around. If you had come up to 15 million

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(Verbatim transcript)

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bushels there would be some hope, but with the quota at 12 million, I don't think there is much hope. They insist that they were never lead to believe (there would be any quota on flaxseed in the beginning) . . . to begin negotiations on that basis--that is the one product that gives them their hope. . . I really thin that it has become almost a matter of principle

only a difference of 35 and 40, and then that is on a quota basis reply note They weren't very much of one percent on canned beef. . . . 45 percent of the total imports into the United States of canned beef on a 45percent basis. They wanted to ship more than about 60 million pounds to . . . and in addition to that they have the principle of another quota added to the list. You don't think there is any chance of an offer of helping or removing the quota on linseed?

Hawkins: That has been thrashed out here for two days and that was the decision that was handed down for me to transmit to you. The whole thing is covered from every conceivable angle?

Armour? It was all thrashed out at the White House this morning?

Hawkins: I want not at the White House, but it was all gone over with Secretary Hull and Wallace and it was all thrashed out and

Armour: Mr. Hull, Mr. Wallace and Mr. Grady discussed all this with the President?

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Telephone Conversation between Mr. Norman Armour and Mr. Hawkins - 1934
(dictation transcript)

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Hawkins: You understand what the difficulty is here.

Armour: I really think we do, Frankly, we hope you realize our difficulties They can't . (tell) people here we have accepted because of the difficulties of the United States. They feel that they have been lead to believe from the beginning there would be no quota on flaxseed, and I think it has come up fairly recently--in the last few weeks, hasn't it?

Hawkins: Not entirely. At the time we first talked to them but along with that an adjustment program which would have come to pretty much the same thing and that program was abandoned and forced us on this other thing. Is it your opinion that they will turn this down?

Armour: Very distinctly. It is my own personal opinion. I don't think we have a hope with this.

Hawkins: Here is a suggestion I would like to pass on-- It is just my own personal suggestion and I don't know whether it would work or not. If they do turn it down, you might sound them out as to whether they would go along if the quota were taken off the canned beef--we probably couldn't get it through, but we could raise the question. . . . They still have the alternative proposal to put it on canned beef.

~~Hawkins~~ ^{Armour}: My God!! Do you mean we have to take back the original offer on the canned beef? They have to accept the one percent customs quota on canned beef? Oh my lord! You might as well throw the trade agreement ~~out~~ out of the

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window now! I don't see how Washington could even transmit such a proposal! I say! We will do it, but if we go back at them with the other alternative proposal! Now it is mandatory?!

Hawkins: . . . When will you put it up to them?

Armour: I am in no hurry to take it up with them on this basis. . . . It is six o'clock here now . . . We will take it up tomorrow morning.

Hawkins: I wouldn't do anything until you get a telegram. I will take it up again with the Secretary.

Armour: On what you have just given me now, I don't think it is worthwhile to go back to them. 35 instead of 40 on flaxseed doesn't change the situation at all. . . . The 12 and 15 million helps a little. The quota not the duty. The 40 to 35 cents doesn't change the situation at all on flaxseed. 5 percent on hides--and now we have to go back at them. . . . at 20 percent or nothing. We don't even give them the original offer. I don't think we have anything to go to them on.

Hawkins: You hold off--We will get your telegram out tonight. That is the best we can do--leave it that way now.

Armour: Let me speak to Bill. Here is Bill.

Fowler: Harry. We can try it out, but there certainly isn't much to attract them there. ^{Hawkins:} You recognize this for what it is. This has come from the White House which makes it a bit hard to handle.

telegram

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Telephone Conversation between Mr. Armour and Mr. Hawkins - 1938
(dictation transcript)

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Fowler: Canned beef is not a White House one? The President had nothing to do with that did he?

Hawkins: That I am not clear on. I will have to take this up again.

Armour: Harry. You want the opinion as to the hopes of the thing. Would there be any possibility of this bushel rate on flaxseed with no quota? It isn't so much the duty or the amount of duty as it is on the quota.

Hawkins: I know. That point has been made here. We fully realize that it is the quota not the rate that is the important thing. That thing has been turned down so flatly--any increase has been turned down so flatly and so often in the last two days I think it is probably hopeless.

Armour: On the flaxseed, we will do our best, but you haven't given us much to do it on. . . . Uruguay. Their agreement depends very much on ours.

Hawkins: It is entirely dependent on it. If this one ^{as} fails, they both go. Mr. Armour, I want to suggest ~~one thing which~~ I think you probably planned to do nothing until you get our telegraphic instructions. I want to go into the matter more on the basis of your reaction.

Armour: I feel as strongly as you want. . . . some of these others . . . I really think you could tell the Secretary that on this basis I think we can just throw our hands up in the air and say it is finished. What about the time factor?

telegram

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Hawkins: We can get you something tomorrow as soon as we get a decision. If we get a decision to sign we could push right through right away.

Armour: Is there a dead line at home?

Hawkins: No more than a day or two after Congress convenes. I understand there ^{will be} a move on this after the opening of Congress, a day or two. . . . Not a day beyond the fourth or fifth, the third would be better. The first day they usually get organized so that we could maybe allow it to go to the fourth or fifth--this is the limit.

Armour: The canned beef--I would hate to have the record stand as it is. If this thing is going to fail I would have it show that we went back on a proposition originally made. This was not our original proposal to them on our original Schedule II--that we even took back something we originally offered--I think it would be most unfortunate to have it on the record because I am afraid they would make a good deal of that down here. In addition to everything else they did to make an agreement possible, they took back something originally offered. They will be negotiating with the British in January for the renewal of the agreement. Coming up in January . . . Bank of England here now. T. is leaving for Japan the fourth of January.

Hawkins: Let me ask one question. This is just exploring. From what you say I gather that they attach more importance to the flaxseed than the beef. Do you think that? If

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(Verbatim Transcript)

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you could make the flaxseed 15--I don't have much hope--do you think that they would voluntarily accept the one percent on the canned beef?

Armour: We can try it as an alternative proposal not as a demand--15 million bushels on flaxseed might make it possible but not probable.

Hawkins: I understood that, I just wanted to confirm.

Armour: The flaxseed is more important. I think we can put it up to them as we did before as an alternative proposal, but to go back to them now and take back what we originally offered.

Hawkins: I will get back to work on this and we will get something out to you tonight. Is there anything further?

Armour: You couldn't get us any other alternative?

Hawkins: You understand, Mr. Armour, I haven't any hope. If the position is that as it came from the White House. All I can do is explore ideas with a view to putting them up. I could try again.

Armour: But this going back on the canned beef to one percent--That was at the White House?!

Hawkins: I got this from the Secretary.

Armour: Well, we will do our best, naturally, on anything that comes down, but, frankly, I don't see much hope, I really don't. Tell him frankly, as I say, that I think it really hinges on flaxseed--no strings tied to it, we might just hope for something. No hope on 12 million--

telegram

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and then to put in the canned beef matter--!! We will
wait for a telegram.

telegram

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H.. ...plus the deficiency, of course.

A.. That's right.

H.. As a supplementary quota our product is below 15
that will still apply of course

H.. The President wants you to point out that this represents
a revenue loss to this Government of 3 1/2 - 6 1/2 million
dollars a year - it ranges from 3 1/2, that is, taking into
account the supplementary quotas on the basis of domestic
deficiency, that is 3 1/2 - 6 1/2 millions dollars a year.
Hides: 5 percent

A.. Hides 5 percent

H.. That's right. Now, canned beef. He wants the 20 percent -
3¢ and 20 percent - he wants the rate to be 3¢ ^{but} ~~by~~ not less
than 20 percent on the 1 percent customs quota. That is
all that was authorized on the Schedules.

A.. That is all that is authorized on the Schedules.

H.. On the General Provision, we will send you a cable on this
tonight, but I can give you the essence of what it is. We
are trying to work out a way of meeting the point on the
delay part, in other words, applying the most-favored-nation
idea to delays rather than the absence

But the obligation to provide exchange would stand. In
other words, what we are trying to do is to meet one point
now that instead of having the obligation to provide
exchange for all permitted imports promptly it would
merely provide that exchange should be provided and that
if there is any delay that might be necessary it would be
on a basis of not any greater delay for imports from us
than any third country. I will spell this out in a

telegram

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telegram tonight. We have to do a little more work on it.

A.. Yes, all right.

H.. On the quotas...

A.. Yes

H. It seems to us that what we must do is stand on our provision for no special cases but to ask the Argentines to rely on the escape clause in Article XII. On the advance notice, this is Article XI, I think we can take the Argentine proposal, which is the provision in the Swiss agreement, and an understanding on the side that in practice there would be prior notice. Now, that is all I have and I will cable that tonight.

A.. We will get that the first thing tomorrow.

Wxx As far as the general provisions, I really don't think that that change will if you had gone up to 15 million bushels there might be some hope, but I think I am very doubtful whether they would accept it. They insist that they were led to believe that they were to begin negotiations on that basis. That is the one product

They explained that the exports to the US had been about 25 percent of the total imports so that on a 25 percent basis they would not get more than about 60 million pounds which they don't think is sufficient. In addition to that they have got the principle of any quota added to the list. You don't think there is any hope of upping the quota on flaxseed or moving the quota

H.. That decision is the one handed down that I have to transmit

A.. Was that decision taken with the foreknowledge

I am

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Telephone Conversation between Mr. Norman Amour and Mr. Shanks - 1939
(Verbatim transcript)

*Telephone Conversation between Mr. Norman Ammons and Mr. Shuckers - 1939
(Verbatim transcript)*

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H.. I am sure of that, that the whole thing was covered from every conceivable angle

That was all threshed out this morning. I wasn't at the meeting this morning, but that was with Secretary Hull and Secretary Wallace and it was threshed out.

A.. Mr. Wallace and Mr. Grady discussed all this with the President?

H.. Yes. Of course you will understand what the difficulty is here.

A.. I really think we do. What it means down here to us is this. We go to them

They feel they have been led to believe that no quotas on flaxseed, and I think it has come up fairly ~~recently~~ recent, the whole flaxseed issue has come up in the last few months?

H.. No, it

about a reduction but an adjustment program which would have come to pretty much the same thing, but that program was abandoned and forced us on to this thing. You expect that they will turn this down?

A.. Very distinctly.

H.. ... purely my own suggestion and I don't know whether it is going to be worth anything, but if they would - if they do turn it down, you might sound them out whether they would go along if the quota were taken off canned beef .. That has not been authorized. I don't know whether we could get it through, maybe we couldn't, but we could raise the question.

A.. They still have the alternative.

H.. In a way the decision

A.. You mean we have to recede the original offer on canned

beef

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Telephone conversation between Mr. Norman Lamont and Mr. Skelton - 1939
(with transcription)

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beef?

H.. I am afraid so.

A.. You mean they have either got to accept the change on
canned beef - on my word - I think you might as well
throw the trade agreement out - we are going back on our
original offer.

H.. Well, that is the way I got it.

A.. I don't see how Washington can even transmit such a
proposal but we will go back at them
with this other alternative proposal which if we could
persuade them to accept as the Secretary would prefer it,
but you mean now its obligatory?

H.. When will you take it up with the Argentines?

A.. I am in no hurry to take this up.

H. No.

xxxx In that case I wouldn't do anything until you get a telegram.
I will take it up again with the Secretary

A.. I really don't think it is worth while to go back to them.

I don't think we have anything to go back to them with.
That 35 instead of 40 on flaxseed doesn't change the
situation at all. But the the quota I don't
think that changes the situation at all on flaxseed. On
hides, I don't think that changes the picture very much,
and now we have to go back on our original proposal. We
don't even give them the

H.. You hold it and I will take it up again tonight and I will
get the telegram out tonight. I think that is the best
way.

Awle They all seem to be nodding here.

Fowler

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er. ...but there certainly isn't much to attract them and to recognize this comes from the White House makes it a bit hard to handle. This canned beef the President had nothing to do with that did he?

H.. That I am not clear on. That is why I suggest you hold it.

A.. Would there be any possibility of this - of putting that bushel rate on flaxseed with no quota. That would be right in line with them not the duty as it is of the quota

H.. I know. That point has been made here. We fully realize that it is the quota and not the rate that is the important thing. That thing has been turned down so flatly and so often within the last two days that I think it is probably hopeless. That is on the flaxseed.

A.. Well, we will do our best, but you haven't given us much to do it on. agreement with Uruguay - of course that agreement I think depends very largely on ours. If it fails here, I think it will fail across the river. If this one fails they will both go.

H.. Mr. Armour, I think on the basis of our conversation I want to go into the matter more carefully on the basis of your reaction.

A.. I feel very strongly - I have just given you my own .. I really think you could tell the Secretary that on this basis they will just shrug their shoulders and throw ~~xxx~~ their hands up in the air.

What about the time factor?

H. As far as we are concerned, we can get you something tomorrow - to arrive tomorrow - as soon as we get a decision, If we get a decision to sign, I think we could push it right through.

A..

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Telephone Conversation between Mr. Norman Armour and Mr. Perkins - 1934
(dictation transcript)

A.. Have you a deadline at home?

H.. Not hard and fast. It can't run very far into the next Session. We have information that the moment Congress convenes there is going to be a movement on this not a day beyond the 4th or 5th at the outside, and I think the 3d would be better. That is when it convenes.

Maybe the 5th, but that is the limit.

A.. Now, going back to canned beef. I would hate to have the record stand if this thing is going to fail on the proposition originally made bad enough to have it fail on the flaxseed or any other issue, but at least that was in our original Schedule II, but to go back now and have to put on the record that we took back something we originally offered; I think it would be most unfortunate to have it on the record. I am afraid that would make the bad part here. we are willing to make an agreement possible but they took back what was originally offered. The Argentines are negotiating with the British in January for a renewal of the agreement that is coming up in January meeting with Japan the 4th of January.

H.. Let me ask you one question. From what you say I gather that they attach more importance to the flaxseed than to the beef?

A.. Much.

H.. Do you think if we could make the flaxseed 12 million, which I have no hope of, if you made it 15 do you think they would voluntarily accept the 1% on the canned beef?

A.. We could try it. We could put it up to them as an alternative proposal and in saying that we consider 15 million bushels of flaxseed

H.. I understand that. Just wanted to confirm it.

A. I think we can put it up as we did before leaving except as an alternative proposal but I

*Telephone conversation between Mr. Hornum, Ambassador and Mr. Shustins - 1934
(Verbatim transcript)*

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back and take back what we originally offered.

H.. I see. I will get back to work on this and we will get something out to you tonight. Anything further?

A.. You couldn't give us any other alternative?

H.. Of course you understand I haven't got anything except the position as it came from the White House as I outlined it to you. All I can do is explore these ideas with a view to putting them up.

A.. Gone back on the canned beef - that was at the White House?

H.. That was my understanding. I wasn't at the White House myself, but I got this from the Secretary.

A.. We will do our best on anything that comes down, but I don't see much hope. I really don't.

H.. I am going to give the Secretary your point.

A.. Tell him frankly that I say I think it really hinges on flaxseed -- too many alternatives - we might just hope for something but with 12 million with a 35¢ bushel rate I don't hope, and with that alternative on canned beef, I don't see it.

Telephone conversation between Mr. Norman Armour and Mr. Skutumpah - 1934
(dictation transcript)

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